

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Bell Telephone Company	:	
	:	
Petition under Sections 7-102(A)(c)	:	07-0202
and 7-102(C) of the Public Utilities Act	:	
for approval, without hearing, of the	:	
transfer of real estate.	:	

ORDER

By the Commission:

On March 20, 2007, Illinois Bell Telephone Company ("IBT") filed a Verified Petition with the Illinois Commerce Commission ("Commission") seeking approval of the sale of certain real estate located at 65 W. Webster in Joliet, Illinois ("the Property"). The Petition is supported by the testimony of a real estate asset and transaction management consultant, David M. Swanson, and several supporting schedules.

In his pre-filed, written testimony, Mr. Swanson states that the Property to be sold measures approximately 51,520 square feet, or 1.18 acres of land. The Property is an improved, four-story administrative office building with an adjacent paved parking lot. Telephone, electric, and City services are available. The sale will be accompanied by the simultaneous lease of the Property back from the purchaser, for an initial 10-year term, by AT&T Services, Inc., the primary real estate procurement and management subsidiary for the AT&T family of companies. IBT will continue to use the Property, and the IBT employees currently working at the Property will continue to work there.

IBT avers that it wants to sell the Property to take advantage of the favorable real estate market and that the transaction will help to streamline its operations and to promote investment in new infrastructure and network upgrades.

The Property is to be sold to C.S. Prairie Realty, L.L.C ("C.S. Prairie"). The purchase price is \$11.77 million. According to a property appraisal attached to Mr. Swanson's testimony, the market value of the Property, on a fee simple basis, is \$7.8 million. IBT received 17 offers for the Property and selected C.S. Prairie after conducting negotiations with several of the offerors. IBT and C.S. Prairie then entered into the contract attached to Mr. Swanson's testimony. IBT's realized gain on the Property is approximately \$96,300.

Commission Staff filed a statement on April 4, 2007, indicating that it had reviewed the Petition and supporting materials and had no objection to approval of the proposed transaction.

IBT also requests that the proposed real estate transaction be approved without an evidentiary hearing. Staff states that it has no objection to waiver of hearing. The Administrative Law Judge determined that no hearing was necessary and, therefore, no hearing was conducted.

Mr. Swanson's testimony and supporting schedules - particularly Schedule G - include proposed accounting treatment for the transaction. Staff recommends that the Commission accept IBT's proposed accounting journal entries in Schedule G and require that those entries be submitted, in final form, as a filing on the Commission's e-docket system, with copies to the Commission's Accounting Department Manager and to the Chief Clerk, within 60 days of the date of the proposed transaction. Staff also recommends that IBT be required to submit a status report to the Chief Clerk and to the Commission's Accounting Department Manager if the transaction has not closed within six months of the date of this order. The Commission will adopt Staff's recommendations.

Therefore, the Commission, having examined the entire record herein, and being fully advised in the premises, is of the opinion and finds that:

- (1) Illinois Bell Telephone Company, an Illinois corporation, is a telecommunications carrier subject to the jurisdiction of the Illinois Commerce Commission;
- (2) the Commission has jurisdiction over the subject matter herein;
- (3) the recitals of fact heretofore set forth are supported by the record and are hereby adopted as findings of fact herein;
- (4) Illinois Bell Telephone Company holds legal title to the Property located in Joliet, Illinois;
- (5) Illinois Bell Telephone Company proposes, with the consent and approval of this Commission, to sell the Property, in accordance with the provisions of the purchase agreement attached to the testimony of David M. Swanson;
- (6) the proposed transaction is reasonable, the public will be inconvenienced by its consummation and, therefore, the Commission's approval of the transaction should be granted;
- (7) Illinois Bell Telephone Company's proposed accounting treatment for the proposed transaction, as specifically set forth in Schedule G, attached to

Mr. Swanson's testimony, is reasonable and should be utilized by Illinois Bell Telephone Company; proof of such utilization should be filed on the Commission's e-docket system and submitted to the Commission's Accounting Department Manager and to the Chief Clerk within 60 days of the date of the transaction approved by this Order;

- (8) Illinois Bell Telephone Company should submit a status report to the Commission's Accounting Department Manager and to the Chief Clerk, and file the report on the e-docket system, if the transaction does not close within six months of the date of this Order.

IT IS THEREFORE ORDERED that the consent and approval of the Illinois Commerce Commission be and the same is hereby granted for: a) the execution and performance by Illinois Bell Telephone Company of the purchase agreement attached to the testimony of David M. Swanson; and b) the performance by Illinois Bell Telephone Company of any and all acts that are consistent with the public interest and reasonably necessary to effectuate the consent and approval hereby granted.

IT IS FURTHER ORDERED that Illinois Bell Telephone Company's proposed accounting treatment for the proposed transaction, as specifically set forth in Schedule G attached to the Mr. Swanson's pre-filed testimony, is reasonable and should be utilized by Illinois Bell Telephone Company; proof of such utilization should be filed on the Commission's e-docket system and submitted to the Commission's Accounting Department Manager and to the Chief Clerk within 60 days of the date of the transaction approved by this Order.

IT IS FURTHER ORDERED that, if the transaction approved by this Order does not close within six months, Illinois Bell Telephone Company should submit a status report to the Commission's Accounting Department Manager and to the Chief Clerk; the company also should file the status report on the Commission's e-docket system.

IT IS FURTHER ORDERED that subject to the provisions of Section 10-113 of the Public Utilities Act (220 ILCS 5/10-113) and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 18th day of April, 2007.

(SIGNED) CHARLES E. BOX

Chairman